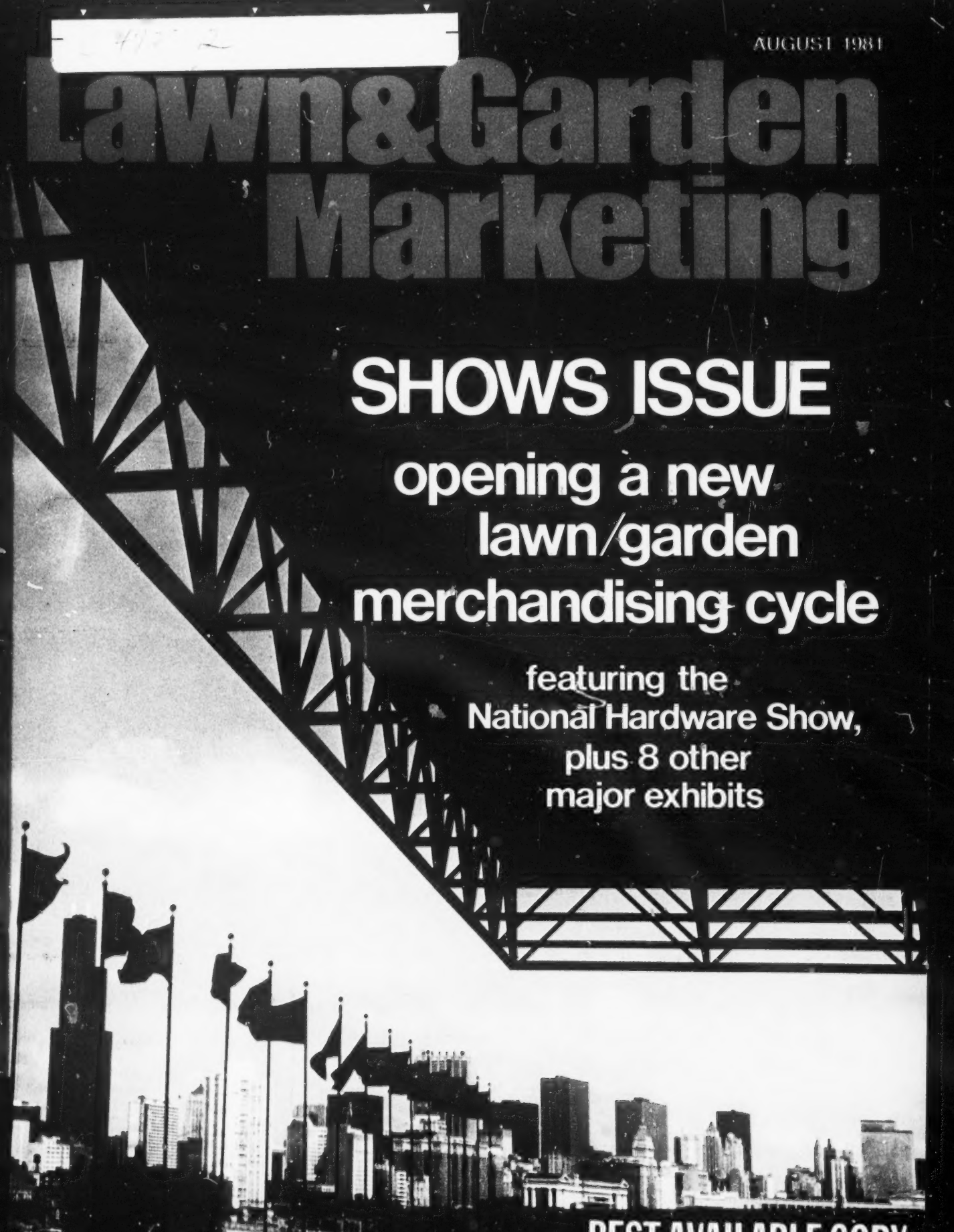
AUGUST 1981

Lawn&Garden Marketing

SHOWS ISSUE

opening a new lawn/garden merchandising cycle

featuring the National Hardware Show, plus 8 other major exhibits



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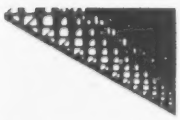
Lawn&Garden Marketing

The merchandising magazine for lawn, garden and leisure living products

6 Power equipment: State-of-the-industry report. A many-faceted look at the outdoor power equipment business, including information and outlook about the economy, safety standards and the activities of the OPEI. By Wendall J. Burns.

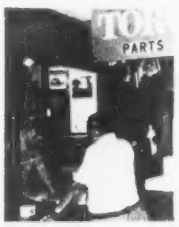
15 Power equipment forecast for 1982. Executives and other industry experts foresee a long range economic future on an upward swing; predict a slowing decline for the upcoming months.



20 Coming up: eight major shows. Dates and locations for regional, national and international shows scheduled for early fall.

30 Buyers' guide to exhibits. Over 300 NHS exhibitors are listed in alphabetical order, together with their booth numbers and the lawn, garden and related products they will be displaying.

57 National Hardware Show expands to six days. The 36th NHS is expected to be the biggest yet – use the insert to speed finding your objectives. Show times, seminar descriptions, times and places, and a map of the Lawn, Garden and Outdoor Living division are featured.



82 Selling tune-ups ends customers' doubts. Second of a three article series, concerning parts and service, this focuses on a Grandview, Mo. firm that specializes in power equipment. By Charles Ewing.

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Coming in September: Marketing strategies for the Sell-In Season will be a report on what manufacturers are offering and what retailers are seeking during the sell-in period to prepare for the 1982 lawn and garden season. There also will be an update on the market for patio products – insect control devices, outdoor cookery, and furniture.

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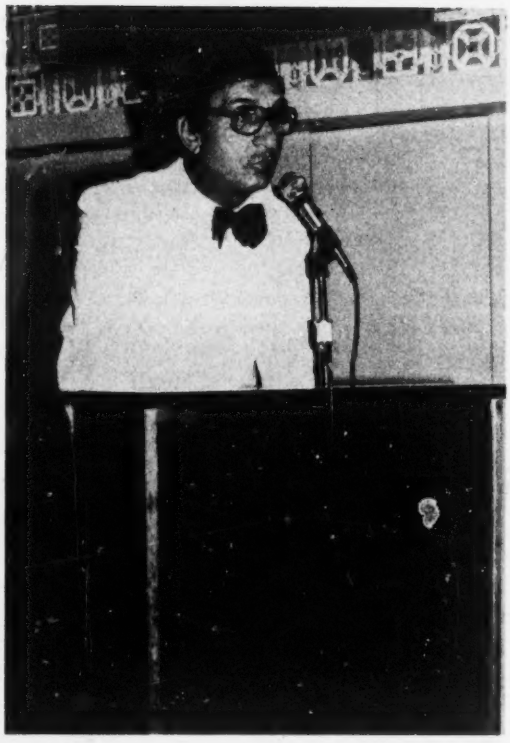

Tony Malizia

Jim Caudle

POWER EQUIPMENT FORECAST FOR 1982

A highlight of the annual meeting of the Outdoor Power Equipment Institute is the presentation by a member company of an industry forecast by OPEI members participating in an annual survey. Here is a summary of this year's presentation made by executives of McDonough Power Equipment Co. See "State-of-the-Industry Report" in this issue for additional coverage of the OPEI annual meeting.

■Shipments by manufacturers of lawn mowers and other major outdoor power equipment categories will take a slight dip again in the 1982 model year, according to forecasts by members of the OPEI who participated in a survey this year.

The forecast was presented to the membership during the annual OPEI meeting held at Sea Island, Ga., in June. However, at the time of the presentation of the data, it was emphasized that economic forecasting groups who have been serving this industry do not concur with all aspects of the manufacturers' forecast. The economists have a more optimistic outlook.

The presentation of the data to the membership was made by A. A. (Tony) Malizia, chairman and chief executive officer, and Jim D. Caudle, president of McDonough Power Equipment Co.

In a prepared statement released along with the data from the survey, the McDonough executives called the current situation "a confused market that is delaying needed purchases." They said that "1981/82 must be approached realistically. The economy is weak and recovery has been slow. Also, governmental pressure on manufacturers has increased.

"Nonetheless, a more enlightened and business-sensitive government and an improving economy should help insure growth in the mid-1980s. The opportunities exist. They must be exploited."

The manufacturers forecast the 1982 shipments of walk-behind mowers at 5,410,000, a slight decrease in unit volume from the 5,430,000 units they projected for the model year just being completed. Among those participating in the survey, the least optimistic manufacturer forecast there would be 5 million units shipped in 1982, and the most optimistic said there would be 5.9 million walk-behind units shipped.

Shipments of lawn tractors/riding mowers have been declining each year since 1979, but appear to be stabilizing in the range of 700,000 units annually, the report noted. Forecasts by the manufacturers responding in this category ranged from 550,000 to 750,000 units for the 1982 model year.

Riding garden tractors were forecast to decline slightly in the 1982 model year—to 183,000 units. The uncertainty in the industry regarding this product category was reflected by the wide range in the

continued...

Outdoor Power Equipment Shipments

(Data for 4 model years, in thousands of units)

	Actual 1979	Actual 1980	Projected 1981	Forecast 1982
Walk-Behind Power Mowers	5,900	5,700	5,430	5,410
% Change	+9	−3	−5	±0
Lawn Tractors/Riding Mowers	798	721	699	694
% Change	+6	−10	−3	±0
Riding Garden Tractors	236	196	187	183
% Change	+8	−17	−5	−2
Walk-Behind Tillers	565	621	621	615
% Change	−1	+10	±0	−1

Source: 1982 Industry Outlook, OPEI

Forecast

...continued

outlook of respondents to the survey. Some forecast industry shipments of 150,000 units, while other respondents forecast 210,000 units.

Tiller shipments were expected to reach the 621,000 unit level this year as they did in the 1980 model year, but are forecast to dip to 615,000 for the 1982 model year.

Through production and inventory restraint, the industry "should be in a good position to rebound as the economy recovers," the Snapper executives concluded.

How economist views differ

The report by Malizia and Caudle pointed out that whereas the manufacturers forecast shipments of walk-behind mowers for the 1982 model year would be 5,410,000, the forecast by outside economists was that walk-behind mower shipments would reach 5,537,000 units. The economists made these other forecasts for 1982 shipments: riding mowers, up 9.4 percent; tractors, up 13 percent; tillers, down .3 percent.

"As economic forecasting groups are working with a wider range of economic indicators on a more frequent basis, it would be useful to use their statistics in developing more sophisticated member forecasts," the report to the OPEI members stated. It was stressed for example that although manufacturers responding to the survey predicted housing starts in 1982 to show an increase of 14 percent over 1981's figure, the economic forecasting groups serving the OPEI expect housing starts to increase 22 percent in 1982.

Imports and exports

Data from the manufacturers show that imports of major lines of lawn and garden equipment declined in 1980 from the 1979 peak. The forecasts by the manufacturers showed they anticipate little change in 1981 and 1982. The imports of lawn mowers and parts were expressed in dollars rather than in units in the report. The volume increased from $4.6 million in 1978 to $8.7 million in 1979 and declined in 1980 to $6.7 million. The manufacturers projected that imports for this product category would be $6.5 million for the 1981 model year and would reach $7.1 million for the 1982 model year.

Crucial issues

The report by Malizia and Caudle to the OPEI membership stated that almost half of the respondents believe the most crucial issue facing the industry to be government intervention and regulations, especially from the CPSC. Twenty percent saw the weakened economy and the continuation of double-digit inflation as a continuing problem. Other crucial issues listed were: the high cost of financing for the manufacturer and for the consumers, the "soft market" for single-family houses, and the trend to high-density housing. □